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INSPECTOR GENERAL

76-1098

30 APR 1976

Executive Registry

76-2121

MEMORANDUM FOR: Director of Central Intelligence

FROM : [REDACTED]  
Chief, Audit Staff

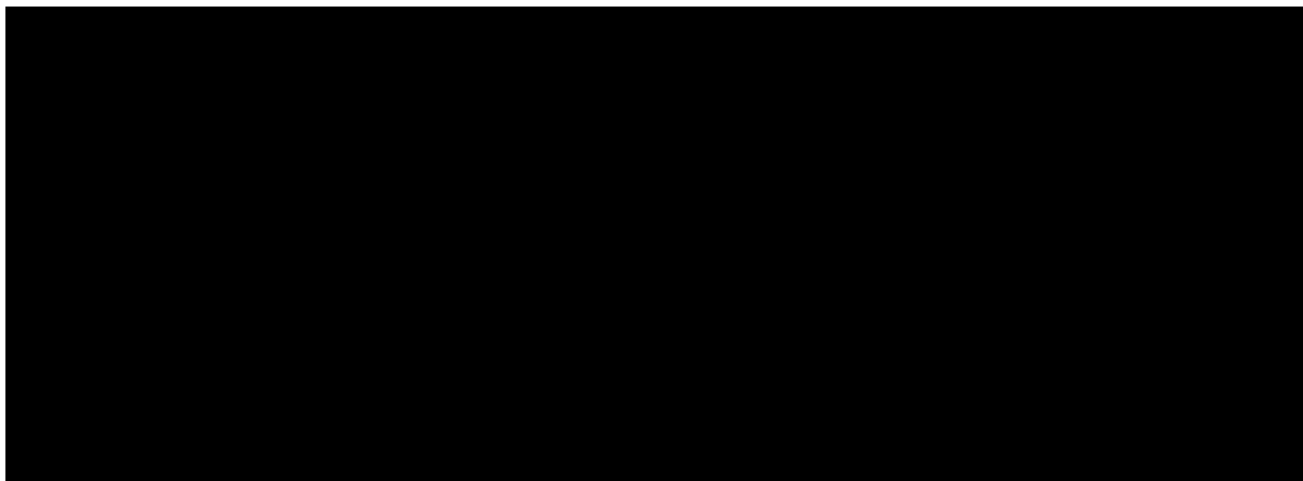
VIA : Inspector General

SUBJECT : Report of Audit Staff Activities  
for the Quarter Ended 31 March 1976

1. During the quarter the Audit Staff issued 25 reports containing 52 recommendations in the following categories:

Type	
Improving procedures and reducing costs	17
Complying with regulations	10
Strengthening controls	9
Resolving differences and adjusting accounts	5
Obtaining approvals	2
Other	9
TOTAL	<u>52</u>

Significant findings and audit activities are discussed below. 25X1C



(EXECUTIVE REGISTRY FILE)

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Headquarters

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3. The Operations Audit Division completed expanded audits of NE and SE Divisions. The scope of these audits was concurred in by the DDO. The audits included a review of compliance with the DDO's Management By Objective (MBO) reporting procedures as well as a more intensive review of selected Operational Activities. The DDO Plans Staff cooperated in the audits. We concluded that the Divisions were in compliance with MBO procedures and that internal review processes assure the effective use of resources for approved purposes.

4. The expanded audits of NE and SE Divisions were a "first" under our broadened responsibilities and were essential to our understanding of DDO operations. This experience should prove invaluable in our efforts to upgrade the effectiveness of audits of DDO activities. We are preparing a paper for DDO concurrence concerning the scope of future Headquarters and field stations audits.

#### Administration Directorate

5. We completed an Audit Survey of the Office of Training. Four areas were identified for review of program results. In coordination with the DDA, we selected the area of Component Conducted Training (including external training) to review and evaluate Agency-wide program results. Planning for this review is in process.

6. We made several recommendations to improve control of the silver reclamation processes in the Printing and Photography Division, Office of Logistics. The recommendations were adopted.

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9. We are participating in the Northwest Federal Credit Union's acquisition of a minicomputer system. We assisted in the development of contract specifications for the system which Bankputer Corporation offers. We plan to assist in the conversion and testing and to review controls to assure the quality of the system.

Science and Technology Directorate

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10. DDS&T components engaged in National Programs

[REDACTED]  
contrary to Government regulations. We have asked the General Counsel for a ruling.

11. As a result of the Office of Special Activities Report of Audit, DDS&T guidelines were issued for more economical use of car rentals. Improvements have been made but a recent audit indicates that additional savings could be achieved.

12. Office of Development and Engineering (OD&E) representatives have agreed informally to reduce the entry level of contract couriers from GS-7 to GS-5. Since these couriers work exceptionally long hours, significant long range savings in overtime costs may result.

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[REDACTED]  
14. OD&E contract files did not include documentation to support sole-source selection of a contractor. In these instances adequate selection procedures were followed but the details were not documented.

General

15. The Audit Staff assisted the Office of the Inspector General in their investigation of the issues raised by the General Counsel in his memorandum to the Intelligence Oversight Board.

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